

RattanIndia

September 04, 2020

Scrip Code- 533122

RTNPOWER/EQ

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001

✓ National Stock Exchange of India Limited
✓ Exchange Plaza, Bandra Kurla Complex
Bandra (East),
Mumbai-400 051


Sub: Submission of standalone and consolidated unaudited financial results of RattanIndia Power Limited for the quarter ended June 30, 2020 and the Limited Review Report thereon.

Dear Sir,

In continuance to our letter dated August 28, 2020 and pursuant to Regulation 33 read with Schedule III to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose hereto, for your information and record,

- (i) the unaudited standalone and consolidated financial results of RattanIndia Power Limited ("the Company") for the quarter ended June 30, 2020, recommended by the Audit Committee and duly approved by the Board of Directors of the Company at its meeting held today, i.e. on September 04, 2020 (which commenced at 06:00 P.M. and concluded at 07:20 P.M.).
- (ii) Limited Review Report thereon dated September 04, 2020 issued by Statutory Auditors of the Company, on the aforesaid financial results of the Company.

Thanking you,
Yours faithfully,
For RattanIndia Power Limited


Lalit Narayan Mathpati
Company Secretary



Encl : as above

RattanIndia Power Limited

Registered Office: A-49, Ground Floor, Road No. 4, Mahipalpur, New Delhi-110037

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Website: www.rattanindia.com

CIN: L40102DL2007PLC169082

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Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of RattanIndia Power Limited

- 1) We have reviewed the accompanying statement of standalone unaudited financial results ('the Statement') of RattanIndia Power Limited ('the Company') for the quarter ended 30 June 2020, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time.
- 2) The Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the accounting principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
- 3) We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
- 4) As explained in Note 2 to the accompanying standalone financial results, the Company has a non-current investment of ₹ 1,513.13 crores (net of impairment provision) and inter corporate deposits (classified under current assets) of ₹ 25 crores recoverable from Sinnar Thermal Power Limited (formerly RattanIndia Nasik Power Limited) (STPL), a wholly owned subsidiary of the Company, as at 30 June 2020. The subsidiary company has incurred losses since its inception and is yet to commence operations. The accumulated losses in the subsidiary company amount to ₹ 5,842.21 crores as at 30 June 2020, and the management of the subsidiary company has determined that a material uncertainty exists as at 30 June 2020, that may cast significant doubt about the subsidiary company's ability to continue as a going concern. The management of the Company, based on an internal estimate, has recorded an impairment of ₹ 1,513.13 crores against carrying value of investment in STPL in prior year. In the absence of evidence for such impairment assessment performed by the management, we are unable to obtain sufficient appropriate evidence

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Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (cont'd)

to comment on any adjustment that may further be required to be made to the balance carrying value of the above mentioned non-current investment of ₹ 1,513.13 crores and inter corporate deposits of ₹ 25 crores as at 30 June 2020 and the consequential impact thereof on the accompanying standalone financial results.

Our review reports for the quarter ended 30 June 2019 and audit report for the year ended 31 March 2020 were also qualified with respect to this matter.

- 5) Based on our review conducted as above, except for the possible effects of the matter described in previous section, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the accounting principles laid down in Ind AS 34, prescribed under Section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.
- 6) We draw attention to Note 4 of the accompanying Statement, which describes the uncertainties due to the outbreak of COVID-19 pandemic and the management's evaluation of the same on the standalone financial results as at reporting date. In view of these uncertainties, the impact on the Company's operations is significantly dependent on future developments.

Our conclusion is not modified in respect of this matter.

For Walker Chandiook & Co LLP
Chartered Accountants
Firm Registration No: 001076N/N500013



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Membership No. 504774
UDIN: 20504774AAAAKQ4200

Place: New Delhi
Date: 4 September 2020

Chartered Accountants

Walker Chandiook & Co LLP
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Outer Circle,
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Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of RattanIndia Power Limited

- 1) We have reviewed the accompanying statement of unaudited consolidated financial results ('the Statement') of RattanIndia Power Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), (refer Annexure 1 for the list of subsidiaries included in the Statement) for the quarter ended 30 June 2020, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time.
- 2) This Statement, which is the responsibility of the Holding Company's management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the accounting principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
- 3) We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019 issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), to the extent applicable.

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Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (Cont'd)

- 4) Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the accounting principles laid down in Ind AS 34, prescribed under Section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.
- 5) We draw attention to Note 3 to the accompanying Statement, which indicates that Sinnar Thermal Power Limited (STPL), a wholly-owned subsidiary company, is yet to commence operations and has incurred a net loss amounting to ₹ 427.53 crores during the quarter ended 30 June 2020. Further, STPL's accumulated losses as at 30 June 2020 amounted to ₹ 5,842.21 crores and its current liabilities exceed its current assets by ₹ 6,378.04 crores as of that date. The STPL has also made defaults in repayment of borrowings from banks, including interest, aggregating to ₹5,291.57 crores up till 30 June 2020. These conditions along with other matters including termination notice served on STPL by Maharashtra State Electricity Distribution Co. Ltd (MSEDCL) in respect of withdrawal of letter of intent earlier issued by MSEDCL to enter into a power purchase agreement with STPL, as set forth in such note, indicate the existence of material uncertainty that may cast significant doubt about the STPL's ability to continue as a going concern. However, in view of the ongoing discussions relating to restructuring of its borrowings and other debts with the lenders, better financial performance as a result of favourable business conditions expected in future and other mitigating factors mentioned in the aforesaid note, the management is of the view that going concern basis of accounting for STPL is appropriate and no adjustments are necessary to the carrying value of the assets, including property plant and equipment of STPL as at 30 June 2020, as included in the accompanying Statement. Our conclusion is not modified in respect of this matter.
- 6) We draw attention to Note 4 to the accompanying Statements with respect to capital work-in-progress (CWIP) aggregating to ₹ 437.73 crores outstanding as at 30 June 2020, pertaining to construction of second 1350 MW power plant (Phase II) of STPL, which is currently suspended. Based on expected revival of the project and other factors described in the aforesaid note, the management believes that no adjustment is required to the carrying value of the aforesaid balances. Our conclusion is not modified in respect of this matter.
- 7) We draw attention to Note 6 of the accompanying Statement, which describes the uncertainties due to the outbreak of COVID-19 pandemic and the management's evaluation of the same on the consolidated financial results as at reporting date. In view of these uncertainties, the impact on the Group's operations is significantly dependent on future developments. Our conclusion is not modified in respect of this matter.
- 8) We did not review the interim financial information of 6 subsidiaries included in the Statement, whose financial information reflects total revenues of ₹ 0.10 crores, total net loss after tax of ₹ 24.98 crores, total comprehensive loss of ₹ 24.98 crores, for the quarter ended on 30 June 2020, as considered in the Statement. These interim financial information have been reviewed by other auditors whose review reports have been furnished to us by the management, and our conclusion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the review reports of such other auditors and the procedures performed by us as stated in paragraph 3 above.

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Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (Cont'd)


- 9) The Statement includes the interim financial information of 4 subsidiaries, which have not been reviewed / audited by their auditors, whose interim financial information reflects total revenues of ₹ Nil, net loss after tax of ₹ Nil and total comprehensive loss of ₹ Nil for the quarter ended 30 June 2020, as considered in the Statement, and have been furnished to us by the Holding Company's management. Our conclusion on the Statement, in so far as it relates to the aforesaid subsidiaries are based solely on such unaudited / unreviewed interim financial information. According to the information and explanations given to us by the management, these interim financial statements/ financial information/ financial results are not material to the Group.

Our conclusion is not modified in respect of this matter with respect to our reliance on the financial information certified by the Board of Directors.

For Walker ChandioK & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013

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Date:
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Rohit Arora
Membership No. 504774
UDIN: 20504774AAAAKP9347

Place: New Delhi

Date: 4 September 2020

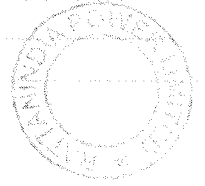
Chartered Accountants

RattanIndia

RattanIndia Power Limited
Standalone Unaudited Financial Results
for the Quarter Ended 30 June 2020

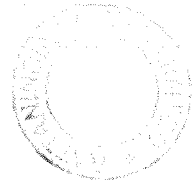
Particulars	Statement of Standalone Unaudited Financial Results for the Quarter Ended 30 June 2020				Year Ended 31 March 2020 (Audited)
	30 June 2020 (Unaudited)	31 March 2020 (Unaudited) refer note 8	30 June 2019 (Unaudited)	31 March 2020 (Audited)	
1 Revenue from operations	195.74	294.33	560.85	1,773.88	
2 Other income	78.38	69.09	56.37	219.84	
Total Income	274.12	363.42	617.22	1,993.72	
3 Expenses					
(a) Cost of fuel, power and water consumed	8.96	90.13	341.01	891.74	
(b) Employee benefits expense	10.21	15.11	11.93	52.03	
(c) Finance costs	171.51	176.58	269.06	1,354.00	
(d) Depreciation and amortisation expense	58.01	56.37	56.45	227.54	
(e) Other expenses	77.44	77.15	21.65	237.11	
Total expenses	274.15	415.34	700.10	2,762.42	
4 Loss before exceptional items and tax (1+2-3)	(0.03)	(51.92)	(82.88)	(768.70)	
5 Exceptional items	-	-	-	(2,667.41)	
6 (Loss)/profit before tax (4-5)	(0.03)	(51.92)	(82.88)	(1,898.71)	
7 Tax expenses	-	-	-	-	
(a) Current tax	-	-	-	-	
(b) Deferred tax	-	-	-	-	
Total tax expenses	-	-	-	-	
8 (Loss)/profit for the period (6-7)	(0.03)	(51.92)	(82.88)	(1,898.71)	
9 Other comprehensive income					
Items that will not be reclassified to profit or loss					
Income tax relating to items that will not be reclassified to profit or loss	0.04	0.11	-	0.41	
Other comprehensive income (net of tax)	0.04	0.11	-	0.41	
10 Total comprehensive income/ (loss) for the period (8+9)	0.01	(51.81)	(82.88)	(1,899.12)	
11 Paid-up equity share capital (Face Value of Rs.10 per Equity Share)	4,939.78	4,939.78	2,952.93	4,939.78	
12 Other equity as per balance sheet of previous accounting year	-	-	-	(189.20)	
13 Earnings Per Share (EPS) (Face Value of Rs. 10 per Equity Share)					
EPS for the quarter are not annualised	(0.00)	(0.11)*	(0.28)*	5.63	
-Bas c (Rs.)	(0.00)*	(0.11)*	(0.28)*	5.32	
-Diluted (Rs.)					

(See accompanying notes to the standalone financial results)



Notes to the Standalone Financial Results :

- 1 The standalone financial results of Raittandla Power Limited ("RPL" or "the Company") for the quarter ended 30 June 2020 have been reviewed by the Audit Committee and approved at the meeting of the Board of Directors ("the Board") held on 04 September 2020. The standalone financial results have been subjected to a limited review by the Statutory Auditors of the Company.
- 2 The Company has non-current investment of Rs.1,513.13 crore in and loans under current financial assets of Rs. 25 crore (net of provision for impairment) recoverable from, Simar Thermal Power Limited ("STPL"), a wholly-owned subsidiary of the Company
STPL has incurred losses since its inception and is yet to commence operations. Subsequent to defaults in debt repayments, STPL initiated discussion with consortium of lenders for restructuring of debt under Strategic Debt Restructuring Scheme ("SDR") as per the Reserve Bank of India (RBI) guidelines. However, RBI's notification dated 12 February 2018 repealed all debt restructuring schemes (including SDR) which resultantly impacted progress made by STPL under SDR. STPL is in active discussion with lenders for successful resolution of debt. In the meanwhile, PFC (Lead lender) filed an application under IBC before NCLT Delhi on 10 September 2018 which was subsequently withdrawn on 14 May 2019.
On 30 April 2019, MSEDCL has issued letter of intent to STPL for execution of PPA of 507 MW (net capacity). STPL was required to furnish Contract Performance Guarantee (CPG) in 3 months. Lenders of STPL have also shown interest in starting operations and in granting required working capital and non-fund based facilities so as to implement aforementioned PPA with MSEDCL.
Considering the effect of COVID 19, the Company was not able to furnish the requested CPG and pursuant to notice issued by MSEDCL in relation to withdrawal of Letter of Intent, the management of STPL requested additional time till 30 September 2020 to furnish CPG with MSEDCL. Also, refer note 4 for possible effect of COVID 19.
Conditions explained above, indicate existence of uncertainties that may cast significant doubt on STPL's ability to continue as a going concern due to which STPL may not be able to realise its assets and discharge its liabilities in the normal course of business. However, on expectation of resolution of debt with lenders within the available time frame and implementation of PPA soon, management is of the view that STPL's going concern basis of accounting is appropriate and believes no additional provision for impairment is required to be created against the amount in investment and loans (net of provision for impairment).
The statutory auditors have expressed qualification in respect of this matter.
- 3 Exceptional items during the previous year ended 31 March 2020 include:
 - a) Gain of Rs. 55.93 crore on account of modification in terms of new securities issued in terms of new securities issued to erstwhile lenders of the Holding Company under the terms of One Time Settlement proposal;
 - b) Erstwhile lenders of the Holding Company assigned debt of Rs. 7,853.31 crore to Aditya Birla ARC Limited (ABARC) out of which an amount of Rs. 1,654.48 crore was waived and hence recorded as exceptional gain;
 - c) Gain of Rs. 1,126.17 crore on account of modification in terms of new facilities and equity shares issued to ABARC;
 - d) Gain amounting to Rs. 272.62 crores on account of modification in terms of debt assigned by ABARC was recognised as exceptional item;
 - e) The Company settled dues with IDBI Bank and ICICI Bank under one-time settlement and resultant gain of Rs.104.76 crore was recorded as exceptional item; and
 - f) Impairment loss amounting to Rs 546.57 crore against Capital work-in-progress.
- 4 Due to ongoing impact of COVID-19 globally and in India, the Company has continued its assessment of likely adverse impact on economic environment in general and financial risks on account of COVID-19. The Company is in the business of generation of electricity which is an essential service as emphasized by the Ministry of Power, Government of India. The availability of power plant to generate electricity as per the demand of the customers is important. Hence, the Company has ensured the availability of its power plant to generate power. However, for the short-term period the demand of power is expected to be lower and accordingly, the Company may have lower demand than earlier periods and has to operate power plants at lower load factor. The Power Ministry has also clarified on 6 April 2020 that State Distribution Entities (Discoms) will have to comply with the obligation to pay fixed capacity charges as per PPA. This will largely mitigate the stress on cash flows, if any, during the period of COVID-19. The Company is also having sufficient stock of coal and has also tied up further supply of coal so as to maintain supply of electricity. On long term basis also, the Company does not anticipate any major challenge in meeting its financial obligations. Basis above, the management has estimated its future cash flows for the Company which indicates no major change in the financial performance as estimated prior to COVID-19 impact and hence, the Company believes that there is no impact on its ability to meet its liabilities as and when they fall due. However, the impact assessment of COVID-19 is a continuing process given its nature and duration. The Company will continue to monitor any material changes to future economic conditions. In the light of the direction of the Hon'ble Supreme Court in case of Energy Watchdog dated 11 April 2017, Maharashtra Electricity Regulatory Commission (MERC) vide its order dated 3 April 2018 principally held that the Company is entitled to compensation for procurement of additional coal for fulfilling its obligations under the PPA signed with MSEDCL. MERC also provided mechanism for computation of the compensation. The Company has filed an appeal against the MERC order since the methodology passed by MERC is not fully on the principle of "restoration of the affected party to the same economic position as if the change in law event did not occur". Company is confident that, the Hon'ble Tribunal is likely to set out a mechanism for compensation restoring the Company to the same economic position as if such Change in Law has not occurred. Hence, it would not be unreasonable to expect the ultimate collection of an equivalent amount of compensation including related late payment surcharge recorded in books of account on account of aforesaid matter.
- 5 Revenue from operations on account of Change in Law events in terms of Power Purchase Agreements (PPA) with MSEDCL is accounted for by the Company based on the best management estimates including orders of Regulatory Authorities in some cases, which may be subject to adjustments on account of final orders of Respective Authorities.
The Chief Operating Decision Maker ("CODM") reviews the operations at the Company level. The operations of the Company fall under "power generation and allied activities" business only, which is considered to be the only reportable segment in accordance with the provisions of Ind AS 108 – Operating Segments.
The figures for the quarter ended 31 March 2020 are the balancing figures between audited figures for the financial year ended 31 March 2020 and published unaudited year to date figures up to 31 December 2019.
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RattanIndia Power Limited Statement of Consolidated Unaudited Financial Results for the Quarter Ended 30 June 2020					
Particulars	Quarter Ended			Year Ended	
	30 June 2020 (Unaudited)	31 March 2020 (Unaudited) refer note 10	30 June 2019 (Unaudited)	31 March 2020 (Audited)	31 March 2020 (Audited)
1 Revenue from operations	195.74	294.33	560.85	1,773.88	1,773.88
2 Other income	72.33	70.61	53.00	210.71	210.71
Total Income	268.07	364.94	613.85	1,984.59	1,984.59
3 Expenses					
(a) Cost of fuel, power and water consumed	11.14	97.16	344.54	909.61	909.61
(b) Employee benefits expense	30.45	34.92	31.47	130.84	130.84
(c) Finance costs	547.99	538.81	602.26	2,764.37	2,764.37
(d) Depreciation and amortisation expense	104.95	104.28	101.41	416.54	416.54
(e) Other expenses	24.32	101.54	22.23	265.49	265.49
Total expenses	718.85	876.71	1,101.91	4,486.85	4,486.85
4 Loss before exceptional items, share of net profit/ (loss) of investment accounted for using equity method and taxes (1+2-3)	(450.78)	(511.77)	(488.06)	(2,502.26)	(2,502.26)
5 Share of net profit/ (loss) of investment accounted for using equity method	-	-	-	-	-
6 Loss before exceptional items and tax (4-5)	(450.78)	(511.77)	(488.06)	(2,502.26)	(2,502.26)
7 Exceptional items	-	-	-	(2,667.41)	(2,667.41)
8 (Loss)/ profit before tax (6-7)	(450.78)	(511.77)	(488.06)	165.15	165.15
9 Tax expenses					
(a) Current tax	-	-	-	-	-
(b) Deferred tax	-	-	-	-	-
Total tax expenses	-	-	-	-	-
10 (Loss)/ profit for the period (8-9)	(450.78)	(511.77)	(488.06)	165.15	165.15
11 Other comprehensive income/ (loss) items that will not be reclassified to profit or loss	0.04	(4.26)	1.80	(10.41)	(10.41)
Items that will be reclassified to profit or loss	-	(0.07)	0.46	(0.10)	(0.10)
Other comprehensive income/ (loss) (net of tax)	0.04	(4.33)	2.26	(10.51)	(10.51)
12 Total comprehensive income/ (loss) for the period (10+11)	(450.74)	(516.10)	(485.80)	154.64	154.64
13 (Loss)/ profit for the period attributable to: Equity holders of the Company	(450.71)	(511.73)	(488.03)	165.30	165.30
Non-controlling interest	(0.07)	(0.04)	(0.03)	(0.15)	(0.15)
Other comprehensive income/ (loss) attributable to Equity holders of the Company	(450.78)	(511.77)	(488.06)	165.15	165.15
Equity holders of the Company	0.04	(4.33)	2.26	(10.51)	(10.51)
Non-controlling interest	0.04	(4.33)	2.26	(10.51)	(10.51)
Total comprehensive income/ (loss) for the period attributable to: Equity holders of the Company	(450.67)	(516.06)	(485.77)	154.79	154.79
Equity holders of the Company	(0.07)	(0.04)	(0.03)	(0.15)	(0.15)
Non-controlling interest	(450.74)	(516.10)	(485.80)	154.64	154.64
14 Paid-up equity share capital (Face Value of Rs. 10 per Equity Share)	4,939.78	4,939.78	2,952.93	4,939.78	4,939.78
15 Other equity as per balance sheet of previous accounting year	-	-	-	-	-
16 Earnings Per Share (EPS) (Face Value of Rs. 10 per Equity Share) *EPS for the quarter are not annualised					
-Basic (Rs.)	(0.91)*	(1.11)*	(1.65)*	0.49	0.49
-Diluted (Rs.)	(0.91)*	(1.11)*	(1.65)*	0.46	0.46

(See accompanying notes to the consolidated financial results)



Notes to the consolidated Financial Results :

- 1 RatanIndia Power Limited ("the Holding Company") and its subsidiaries are together referred as "the Group" in the following notes. The Holding Company conducts its operations along with its subsidiaries. The Consolidated financial results are prepared in accordance with the recognition and measurement principles of Indian Accounting Standards as notified under the Companies (Indian Accounting Standards) Rules, 2015 as specified in Section 133 of the Companies Act, 2013.
- 2 The above consolidated financial results of the Group have been reviewed by the Audit Committee and approved at the meeting of the Board of Directors ("the Board") held on 4 September 2020. The consolidated financial results for the quarter ended 30 June 2020 have been subjected to a limited review by the Statutory Auditors of the Company.
- 3 Sinar Thermal Power Limited (STPL), one of the subsidiary company of the Holding Company is yet to commence operations. Subsequent to defaults in payment by STPL, the lenders of STPL invoked Strategic Debt Restructuring (SDR). However, subsequent to RBI's circular dated 12 February 2018, all debt restructuring schemes (including SDR) were repealed with immediate effect which impacted progress made by STPL under SDR. The Hon'ble Supreme Court vide its order dated 2 April 2019 has quashed RBI's circular dated 12 February 2018. Further RBI on 7 June 2019 issued directions called Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions 2019, with a view to providing a framework for early recognition, reporting and time bound resolution of stressed assets. STPL is in active discussion with lenders for successful resolution of debt as explained in note 2 of the standalone financial results of the Holding Company.
On 30 April 2019, MSEDCL had issued letter of intent ("LOI") to STPL for execution of PPA of 507 MW (net capacity). According to such LOI, STPL was required to furnish a Contract Performance Guarantee (CPG) of Rs 152.10 Crore within 3 months. The Lenders of STPL have also shown interest in starting operations and in granting required working capital and non-fund based facilities so as to implement aforementioned PPA with MSEDCL. However, as a result of COVID 19 pandemic outbreak, STPL was not able to furnish the requested CPG within the given timelines leading to MSEDCL terminating the LOI. However, the Management of STPL has requested for additional time till 30 September 2020 from MSEDCL on grounds of difficulties faced under COVID 19 situation, to furnish the required performance bank guarantee in order to revive the LOI for execution of PPA. The management is hopeful of obtaining the extension and entering into PPA with MSEDCL within reasonable time. Also, refer note 6 for further effects of COVID 19 that are dependent on future developments.
The conditions explained above indicate existence of uncertainties that may cast significant doubt on STPL's ability to continue as a going concern due to which STPL may not be able to realise its assets and discharge its liabilities in the normal course of business. However, on expectation of resolution of debt with lenders within the available time frame and implementation of PPA soon, management is of the view that STPL's going concern basis of accounting is appropriate. Consequently, no adjustments are necessary to the carrying value of the assets, including property, plant and equipment, of STPL as at 30 June 2020, as included in the accompanying Statement.
- 4 The consolidated financial results include capital work in progress (CWIP) balance of Rs. 437.73 crore as at 30 June 2020 in respect of 1350 MW power plant (Phase II) of STPL. The construction activities of the project is currently suspended. The management believes that the suspension is temporary and is not likely to lead to impairment of the aforementioned CWIP. STPL has all necessary environmental clearances and infrastructure which are difficult to secure in the current environment. Further the cost of setting up this plant is significantly lower than setting up a new plant due to common facilities available with STPL.
In view of the aforementioned factors along with external factors such as increasing power consumption and related demand in market, management is confident that the Project is fully viable and hopeful of reviving this Project at appropriate time. Considering these factors and the ongoing discussion with suppliers, the management believes, no impairment is required to the aforementioned carrying amount of CWIP in these consolidated financial results.
- 5 Exceptional items during the previous year ended 31 March 2020 include:
 - a) Gain of Rs. 55.93 crore on account of modification in terms of new securities issued to erstwhile lenders of the Holding Company under the terms of One Time Settlement proposal;
 - b) Erstwhile lenders of the Holding Company assigned debt of Rs. 7,853.31 crore to Aditya Birla ARC Limited (ABARC) out of which an amount of Rs. 1,654.48 crore was waived and hence recorded as exceptional gain;
 - c) Gain of Rs. 1,126.17 crore on account of modification in terms of new facilities and equity shares issued to ABARC;
 - d) Gain amounting to Rs. 272.62 crores on account of modification in terms of debt assigned by ABARC was recognised as exceptional item;
 - e) The Holding Company settled dues with IDBI Bank and ICICI Bank under one-time settlement and resultant gain of Rs.104.76 crore was recorded as exceptional item; and
 - f) Impairment loss amounting to Rs 546.57 crore against Capital work-in-progress.
- 6 Due to ongoing impact of COVID-19 globally and in India, the Group has continued its assessment of likely adverse impact on economic environment in general and financial risks on account of COVID-19. The Group is in the business of generation of electricity which is an essential service as emphasized by the Ministry of Power, Government of India. The availability of power plant to generate electricity as per the demand of the customers is important. Hence, the Group has ensured the availability of its power plant to generate power. However, for the short-term period the demand of power is expected to be lower and accordingly, the Group may have lower demand than earlier periods and has to operate power plants at lower load factor. The Power Ministry has also clarified on 6 April 2020 that State Distribution Entities (Discoms) will have to comply with the obligation to pay fixed capacity charges as per PPA. This will largely mitigate the stress on cash flows, if any, during the period of COVID-19. The Company is also having sufficient stock of coal and has also tied up further supply of coal so as to maintain supply of electricity. On long term basis also, the Group does not anticipate any major challenge in meeting its financial obligations. Basis above, the management has estimated its future cash flows for the Group which indicates no major change in the financial performance as estimated prior to COVID-19 impact and hence, the Group believes that there is no impact on its ability to meeting its liabilities as and when they fall due. However, the impact assessment of COVID-19 is a continuing process given its nature and duration. The Group will continue to monitor any material changes to future economic conditions.
In the light of the direction of the Hon'ble Supreme Court in case of Energy Watchdog dated 11 April 2017, Maharashtra Electricity Regulatory Commission (MERC) vide its order dated 3 April 2018 principally held that the Company is entitled to compensation for procurement of additional coal for fulfilling its obligations under the PPA signed with MSEDCL. MERC also provided mechanism for computation of the compensation. The Company has filed an appeal against the MERC order since the methodology passed by MERC is not fully on the principle of "restoration of the affected party to the same economic position as if the change in law event did not occur". Company is confident that, the Hon'ble Tribunal is likely to set out a mechanism for compensation restoring the Company to the same economic position as if such change in Law has not occurred. Hence, it would not be unreasonable to expect the ultimate collection of an equivalent amount of compensation including related late payment surcharge recorded in books of account on account of aforesaid matter.
- 8 Revenue from operations on account of Change in Law events in terms of Power Purchase Agreements (PPA) with MSEDCL is accounted for by the Company based on the best management estimates including orders of Regulatory Authorities in some cases, which may be subject to adjustments on account of final orders of Respective Authorities.



8 The Chief Operating Decision Maker ("CODM") reviews the operations at the Company level. The operations of the Company fall under "power generation and allied activities" business only, which is considered to be the only reportable segment in accordance with the provisions of Ind AS 108 – Operating Segments.
10 The figures for the quarters ended 31 March 2020 are the balancing figures between audited figures for the financial year ended 31 March 2020 and published unaudited year to date figures up to 31 December 2019.

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CIN : L40102DL2007PLC169082

Rajiv Rattan
Rajiv Rattan

For and on behalf of the Board of Directors
Rattanindia Power Limited

Rajiv Rattan
Chairman

Place : New Delhi
Date : 04 September 2020

